**Resources Committee Meeting**

**Friday 22nd June 2018 – 8.30am – A5**

## Present:

Mrs L Hedden (Chair of Governors)

Mr G Herniman (Chair of Resources)

Ms C Herman-Headteacher

Mrs K Boulton (Governor)

Mr A Worth (Governor)

Mr S Roberts (Business Manager)

Mrs D Matthews-(Finance Manager)

Mrs L Smith-(scribe)

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| 1. | ApologiesMr Simon Murray |
| 2. | **Minutes of last Resources committee meeting**Minutes from the Resources meeting held on 27th April 2018 had been distributed, were not contested, and were discussed, agreed, and signed. |
| 3. | **Matters arising from the last minutes**SR-Finance Regs had been amended based on the requirements for authorised signatories. SR proposed a full review in December 2018 but asked for interim approval prior to its ratification at FGB. LH suggested removal of the brackets in the section on Payment Authorisation in order that re-wording makes sense. The Committee approved the Regulations based on interim changes.Falling Roles Funding – Committee were advised that this had been received in the School’s bank account.LH raised question regarding ex-gratia payments. It was confirmed these include special payments to staff.  |
| **4.** | **Business Interests Updates**None declared. |
|  | **Budget Position**A narrative and back up information had been provided by SR to Governors prior to the meeting. SR discussed the content of the narratives, highlighting:* The current position is £310,000 and it was previously £250,000.

This report includes the expected balances for cost centres that we can realistically expect to have money left in. Some significant variances:Department Services has generated £7,500 towards the carry forward. The exams budget is likely to be £17,000 underspent, with energy and water likely to come in £8,500 under budget. There will be some further movement before August 31st but this report is a reasonable reflection of our expected position.Questions were raised regarding the exams underspend – SR explained that the budget had been set consistently with previous years, but a very small year 11 had contributed to the underspend. SR explained that this budget is a bit variable due to registration fees, invigilation costs and re-marks etc. SR also noted that this cost centre would be reduced in the 18/19 budget - CJH explained this is due to the removal of the AS exams. AW enquired whether the solar panels had made a significant difference to the energy budget this year. SR responded that it was not possible to tell from the cost centre report but would be evidenced in the year end energy usage and cost report in September. |
| **5.** | **Cashflow** A narrative and back up information had been provided by SR to Governors prior to the meeting. SR commented that the new simplified model was much simpler to work with and asked if Governors were happy with the format. All agreed receiving the report in this format. SR explained that May was as predicted, the lowest month dropping to £373,000. SR confirmed that the falling rolls funding had been received at the bank the previous day.**Virements**Virement 21 was discussed, approved and signed.**3 Year Financial Plan**A narrative and back up information had been provided by SR to Governors prior to the meeting. SR discussed the content of the narratives, highlighting: This forecast included 2020-21 to give a reflection of the information that will be included in the ESFA budget return in July.2019-20 is showing a small surplus of £12,700 – this was forecast as a deficit of £45,000 at the last meeting. SR explained that the larger expected carry forward had contributed to this. The revised staff calculations have also contributed. The new forecast shows a much smaller in year deficit for 2018-19 but a much larger in year deficit for 2019-20. For the year 2020-21 we are currently forecasting a surplus of £61,000 (this is the first year without falling role funding support).SR highlighted other factors to be aware of:* Teachers pay could be more than 1% - when asked what effect this would have, SR explained it would be between £6,000 and £40,000 increase in costs depending on whether it was applied to all teachers or just mainscale.
* 2019-20 funding could include between £27,000 and £50,000 depending on where the minimum MFG was set and if the government maintains its promise of £4,800 per pupil.
* To be aware that falling roles funding for 2019-20 will be dependent on successful review by the schools forum. SR is already collecting the material that will be needed for this – LH commented that the school’s forum have been very happy with our level of reporting so far.

AW enquired what the irrecoverable VAT covered – DM explained it was the VAT associated with the commercial uses of the school facilities such as lettings. There was a discussion about the pluses and minuses of charging VAT and governors confirmed the present position provided best value. |
| 6. | **Budget 2018-19**A full copy of the draft 2018-19 budget had been provided previously to the Governors. A comparison spreadsheet had already been provided.SR explained that he’d designed a new layout for this year to try and simplify the way the information is presented.SR explained the key points on the summary page. This included the fact that we are expecting an in year deficit of £84,700 which will be covered by the carry forward.It was also reported the balance brought forward now includes restricted and ring fenced funds as well as unrestricted contingency. This has been done on advice from Essex Finance and the School’s auditors. The restricted and ring fenced funds are defined in appendix one and are reflected as a straight in and out on the income and expenditure, and therefore don’t affect the bottom line.SR ran through the income and expenditure report pages.SR explained the comparison spreadsheet has entries for the predicted 2018-19 budget, the 2017-18 budget as it was set, and the 2017-18 budget as it stands at June 2018. An additional column for the actual spend for 2017-18 will be completed in September and the full comparison report will be presented to Governors.LH queried why some staffing categories showed significant variations from last year. SR explained that this was due to staff changing job role, hence salaries came from a different cost centre.GH asked if Governors were happy to recommend approval of the draft budget for ratification at FGB. All agreed. |
| 7. | **Staffing**CJH reported that we’re still not quite fully staffed for September. The MFL post is currently being recruited for. There were also two technician posts to recruit for. PE and Chemistry. The vacant Chemistry technician role was due to Lisa Hart embarking on the apprenticeship scheme.A Christiani is also leaving for a new role – CJH explained how the VC will run with M Bolton at the helm.There were a couple of retirements – HM and RJL.CJH reported the changes in the PE restructuring with GS becoming a director of Sport with Matt Hall becoming Team Leader. This was a cost neutral solution. |
| 8. | **ESFA Budget returns & Academies Financial Handbook 2018 key changes**The key changes coming into effect with the new academies financial handbook 2018 were discussed with the following key decisions made:* LH noted that governors expenses policy should be reviewed on a future agenda
* It was acknowledged that there are a list of changes that will impact governance and financial regulations. These will be brought to the first Committee meeting of the new year so they can be allocated priorities and actioned during the year.
* The requirement for management accounts to be sent monthly to the chair of Governors and chair of Resources, can be met by SR sending the cashflow and outturn reports.
* Discussion around the DFE’s suggested top ten indicators for governors took place and it was agreed that we would select 5 and SR would bring this information to FGB on 5th July.

There was an agreement that we need to confirm some financial KPIs which will form part of the Trustees report and ongoing monitoring.SR and DM are attending a briefing meeting around the ESFA’s new 3 year forecast requirements on Monday 25th June, so SR will report back with any relevant either at FGB or first Resources Committee of 2018.SR assured governors that the ESFA 3 year forecast will reflect the bottom line figures as shown in the 3 year forecast presented at this meeting. |
| **9.** | **ICE Report (3) & Scope of Work 2018-19**SR provided feedback on the most recent ICE report that had been provided to Governors.SR discussed the yellow and green indicators attributed to segregation of duties around payroll processing. There was also a green indicator against governor sign off of the Scope of Work for 2017-18. There was a green indicator surrounding the financial regulations definition of special payments and delegated authority.SR explained the segregation of duties were exactly as per the discussion at the last meeting and relate to the advice from Essex which differs slightly from our accepted procedures. He cross-referenced this to the changes in the Finance Regs approved earlier.SR passed on apologies as the Scope of Work 2017-18 had been missed off of June 17’s agenda.Financial regulations have been updated to acknowledge special payments as per ICE report advice. Further work on this will take place when the regulations are re-written at the start of next year.The Scope of Work for 2018-19 was discussed, approved and agreed. |
| **10.** | **Payroll provider**In light of the continuing problems with Essex Payroll SR, DM and KW have met with three payroll providers to explore other options. SR gave an overview of the service offered by the three companies and thoughts on each company.Costs for all three were reported as follows:* Current service – ECC payroll - £7,100 pa
* Prospects – year 1 - £10,400 to £11,000pa; year 2 - £9,000-£9,900pa
* Schools Choice – year 1 - £8,300pa, year 2 £7,500pa
* SGW – year 1 - £5,080, year 2 - £4,200pa

SR recommended we go with SGW as they offered the most flexible service, which appears to meet all of our needs. Before any agreement is reached we will take up references and hopefully site visits to local schools that currently use the SGW service. Pending successful references we would like to set a dry run for September and October with a go live date of November payroll.Governors questioned why SGW was so much cheaper and was this an area of concern. SR responded that SGW had provided all the information that we needed and we feel confident that they will be able to deliver the service. References and site visits will assist to confirm this fact. Feedback from other users of others of the tenderers suggested that costs relating to the software they use meant their bids were so much higher. As long as all references are fine, SR will negotiate a 3 year contract with relevant opt out clauses to provide assurance. Governors agreed on this basis that SR should proceed. |
| **11.** | **Cleaning Tender**Key dates of the tender process had been provided prior to this meeting.Governor involvement will be required on the 29th August and 5th September. LH agreed to attend 29th August. GH requested that the 5th September be moved to the 7th September so that he could attend (***subsequent to the meeting, this has been actioned***).SR informed that as per our Financial Regulations, we will be out sourcing the specialist tender to a qualified company – The Litmus Partnership. Litmus utilise a secure electronic tender system which provides a full assurance and security around the tender process. |
| **12.** | **Premises Report**A premises report had previously been provided.SR reported on the mini bus situation which was discussed in some detail. SR will update governors further once feedback from the legal team has been received. Governors asked that the offending company be reported to the Police. |
| **13.** | **Policy Reviews**Discussion surrounding the Charging Policy and the differences between curriculum and extra curricular trips took place. It was agreed the wording of the Charging Policy was appropriate.All policies were agreed for recommendation to FGB for ratification as follows:* + Capability procedure
	+ Discipline & Dismissal
	+ Equality & Diversity
	+ Flexible working
	+ Grievance procedure
	+ Leave of Absence
	+ Pay
	+ Performance Management
	+ Probation
	+ Recruitment
	+ Redundancy & Restructure
	+ Sickness Management
	+ Charging
	+ Health & Safety
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| **13.** | **NatWest Account**It was reported the balance is £1,288.25 as at 1.6.18 |
| **14**. | **A.O.B**None.  |
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**Date of next meeting: TBC**